



Homeownership Investment Grants Request for Proposals Frequently Asked Questions

Application Deadline: Wednesday, March 12, at 12:00 p.m. (noon) Central Time

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The information in this Frequently Asked Questions (FAQ) document addresses questions regarding the Homeownership Investment Grants Request for Proposals (RFP) that were received through February 24, 2025.

Q1. Will the Technical Assistance slides be available on the Minnesota Housing website?

A. Yes, the slides and a recording of the Technical Assistance Webinar are posted on the [website](#).

Q2. Are Native Community Development Financial Institutions (CDFIs) eligible applicants or is the RFP strictly limited to traditional CDFIs?

A. Native CDFIs are eligible but must still meet all other eligibility requirements.

Q3. Is there a published award amount range for expected grants?

A. No.

Q4. We are considering designing an in-house downpayment assistance product for clients; would this be an eligible use of funds?

A. Yes.

Q5. Can you clarify typical uses of "establishing revolving loan accounts at Community Development Institutions" in the description of eligible activities?

A. Revolving loan accounts are defined as capital accounts to be used for the purpose of financing Affordable Homeownership opportunities. Since this is a new program there are no typical uses and Applicants should describe proposed revolving loan accounts in their application.

Q6. Can a CDFI subgrant to other lenders or CDFI's and non-profits who engage in mortgage lending?

A. Yes, with approval of Minnesota Housing. Funds must be used for eligible projects. Subgrantees must either be identified and approved in an applicant's workplan and budget or must be selected consistent with certain state bidding requirements. These bidding requirements include, but are not limited to, a formal notice and bidding process for any services over \$100,000, a minimum of three verbal bids for any services between \$25,000 and \$99,999, or a minimum of two verbal bids for any services between \$10,000 and \$24,999.

Q7. The Program Guide says that prevailing wage applies to recipients of grants of \$200K or more. There are exceptions for rehabilitation projects and 10 or fewer units. How are those 10 units calculated? Would it be 10 units per year, per developer or 10 units per year, per project?

A. Prevailing wage exceptions apply based on awards to individual projects, not the number of developers involved or the amount of time a project takes.

Q8. Are program reporting requirements such that we will want a separate revolving loan fund for the HIG grant funds?

A. Yes, as grant funds will be used to establish a revolving loan account.

Q9. Are we able to charge a loan origination fee in lieu of the 10% administrative fee? Or can we charge a small administrative fee plus loan origination fees, and would those costs be combined and capped at 10%?

A. The maximum administrative cost for Administrators will be ten percent (10%) of the grant, unless otherwise determined by Minnesota Housing. Administrators may receive an Administration Fee greater than the maximum allowed if preapproved at the sole discretion of Minnesota Housing.

Q10. Will letters of support from partners be accepted and reviewed?

A. Yes.

Q11. Do letters of support help for scoring?

A. Letters of support are not a scored application component. Letters of support that document leverage or other funding priorities may help determine a funding priority has been met.

Q12. Is there a maximum award amount to each CDFI?

A. No.

- Q13. Does Manufactured Housing need to be titled as real estate?**
- A. No.
- Q14. If Manufactured Housing, can it be in a park where they don't own the land? Does the park need to be cooperatively owned?**
- A. Yes, it can be in a park where they do not own the land. No, the park does not need to be cooperatively owned.
- Q15. What are the guidelines for determining whether the project serves low- and moderate-income households?**
- A. Eligible homebuyers must have household income at or below 115% median income, as determined by HUD.
- Q16. Can we subgrant to a wholly owned affiliate, which would support meeting our CDFI requirements?**
- A. An Applicant must be an eligible CDFI. An Applicant may subgrant to a wholly owned affiliate with Minnesota Housing's approval. Selection of subgrantees must meet the requirements addressed above in Question 6.
- Q17. Can we lend to a borrower who buys a home we have constructed (constructed using other non-HIG funds)?**
- A. Yes.
- Q18. Could you confirm these funds are NOT federally sourced?**
- A. Yes. These are state funds, not federally sourced.
- Q19. Under the acquisition-rehab-resale option, what meets the definition of rehab and how is that proved?**
- A. Applicants are encouraged to set their own standards to determine project criteria or eligibility. Include the determination in your application materials.
- Q20. If we have a percentage of the loan forgivable, can we redeploy repaid funds?**
- A. Yes.
- Q21. Do we need to restrict funds via fund accounting, separate bank accounts, etc., and for how long? If a portion is revolving and not forgiven, is that perpetually restricted?**
- A. Separate bank accounts are required. Any restrictions are only for the life of the grant.

Q22. Is an organization required to be a CDFI to qualify for this program? And if so, how should an organization currently undergoing the CDFI fund's new certification process demonstrate certification (if previously certified)?

A. An organization must be a certified CDFI and appear on the United States Treasury Certification List at the time of application.

Q23. If applying for a revolving loan account with two distinct uses, should we submit two distinct applications or combine them into one application?

A. The Applicant should submit one Administrator application, but two Activity Workbooks, two Application Budgets, and two narratives.

Q24. If awarded, can HIG funds be used with other state funding on projects?

A. Yes.

Q25. Does the CDFI applying have to be in Minnesota?

A. The CDFI must have primary operations located in Minnesota.

Q26. Is there a target amount to request?

A. No.

Q27. Is there any preference given for HIG uses that extend beyond 3 years? For example, would an application for revolving funds score better than one time use (e.g. grants)?

A. Yes.

Q28. What would be the conditions of "revolving funds"? Would revolving funds awarded for funds be permanently restricted for that use?

A. Revolving funds would be restricted to eligible uses for the duration of the grant period.

Q290. What is the total pool of funds?

A. Up to \$37 million is available.

Q30. It feels as though there are still details that you are figuring out about the priorities for the funds that won't be available until Feb 26th. Does it make sense to extend the deadline to allow for more informed applications?

A. There will not be an extension for submitting applications. Priorities for the program have been defined and are specified in the published RFP materials. They are found in the RFP instructions beginning on page 2, under section E. Program Expectations.

Q31. What is required to document CDFI certification?

A. Minnesota Housing is checking applicants against the most current published Treasury list.

Q32. Is there a word count limitation on the application?

A. No.

Q33. What is the timeline to expend funds?

A. The Grant Period will be 3 years.

Q34. What is the allocation and disbursement process?

A. Grant allocations will be determined by the selections process with approval by the Minnesota Housing's board of directors. Disbursements will be defined in contracting and may depend on the specific activities involved.

Q35. Does an Applicant need to complete multiple applications?

A. Submit one application per organization but complete the workbook for each activity your organization is applying for.

Q36. We intend to use this for a specific loan product and did not see specific questions regarding this. How should we address this?

A. Explain the loan product in the application when you describe your program. The more detail you share, the better we can assess the application.

Q37. Does cooperative ownership qualify as homeownership?

A. Yes. We are encouraging all forms of homeownership.

Q38. Can you explain the difference between financing programs and a revolving loan? Is the former specific to a loan that is forgiven? Other criteria?

A. Financing programs are intended for one-time loans or grants. With the revolving loan programs, a CDFI would lend out money and, as it is paid back, the funds would be loaned out again for the purpose of Affordable Homeownership within the grant period.

Q39. Who is the lender in these programs and who creates the program?

A. The CDFI is the lender. The CDFI creates the program and decides who the borrower is.

Q40. Can you provide an example of what is meant by a committed loan facility?

A. A Committed Loan Facility is a credit facility where a source of credit is committed to providing a loan to a borrower.

Q41. If we want to recapitalize a revolving loan fund we currently operate with a portion of a HIG request, would we apply for under the Revolving Loan Account Program?

A. The legislation states the fund is to establish a revolving loan fund, as opposed to recapitalizing an existing loan fund.

Q42. We are also considering a Greater MN targeted Down Payment Assistance loan product that would pair with the RD 502 15% leverage loan, which appears to fall under 3.02 Financing Products. If we intend to revolve those funds according to the loan product terms (which would be different, shorter for the bridge construction loans than for the DPA) do we apply under Revolving Loan or Financing Products?

A. Some uses could fall under multiple categories and the administrator can choose which program they feel best fits their situation.

Q43. Is funding for staff and/or consultants to provide technical assistance for partners an eligible expense?

A. Funding for staff and consultants to provide technical assistance for partners is not an eligible expense by itself. However, it could be covered by the administrative fee provided it aligns with the allowable uses of those funds.

Q44. What is the deadline for CDFI certification with the Treasury?

A. An organization must be a certified and appear on the United States Treasury Certification List by the application due date.

Q45. Can you verify all the documents required to apply for funding?

A. The application items required for this RFP include:

- Application and Signature Page
- One-Page Program Narrative for each activity you are applying for
- Application Workbook (separate workbooks for each activity you are applying for)
- Application Budget (separate budgets for each activity you are applying for)
- Pre-Award Risk Assessment Form and accompanying documents
- Documentation of Leveraged Funds (if applicable)
- Community Development Financial Institution Treasury Certification-(Minnesota Housing will confirm on the most recently published Treasury list).
- 501(c)(3) certification